

**Provisions Currently Applicable to
VoiceStream and Powertel Stockholders**

corporation if the corporation fails to enforce the right itself. To maintain a derivative action, a plaintiff must, in the complaint:

- state that the plaintiff was a stockholder at the time of the transaction of which the plaintiff complains or that the plaintiff's shares subsequently devolved on the plaintiff by operation of law; and
 - (1) allege with particularity the efforts made by the plaintiff to obtain the action the plaintiff desires from the directors; or
 - (2) state the reasons for the plaintiff's failure to obtain the action or for not making the effort.
- Additionally, the plaintiff must remain a stockholder through the duration of the derivative suit. The action may not be dismissed or settled without the approval of the Delaware Court of Chancery.

**Provisions Applicable to Deutsche Telekom
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10% of the issued shares, is entitled to request Deutsche Telekom to claim damages, but is not entitled to assert any rights on behalf of Deutsche Telekom. Upon request, the corporation must prosecute the claim. If the request is not complied with, the court will appoint a special representative upon a motion of shareholders with either shares representing at least 10%, or under special circumstances 5%, of the issued shares or the notional par value amount of 1 million euros, or under special circumstances 500,000 euros. The special representative will assert claims of Deutsche Telekom for compensation of damages. The general shareholders meeting may appoint any disinterested party as a special representative for these proceedings.

- Shareholders exercising the minority right described above must establish that they have held their shares for at least three months prior to the general shareholders meeting in which they make the request. The shareholder group must reimburse Deutsche Telekom for all costs of litigation if the proceedings are unsuccessful or only partially successful, but in the latter case only to the extent that those costs exceed any amounts awarded to Deutsche Telekom in these proceedings.
- Each shareholder who was present at a shareholders meeting and has objected to the resolution as reflected in the minutes may within one month after adoption of the respective resolution of shareholders take action against the company to contest the resolution (*Anfechtungsklage*).

Provisions Relating to Share Acquisitions

- Section 203 of the Delaware General Corporation Law prohibits "business combinations," including mergers, sales and leases of assets, issuances of securities and similar transactions by a corporation or a subsidiary with an "interested
- German law does not specifically regulate "business combinations" with interested shareholders. However, certain general principles of German law may restrict business combinations under various circumstances.

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stockholder” who beneficially owns 15% or more of a corporation’s voting stock, within three years after the person or entity becomes an interested stockholder, unless:

- the transaction that will cause the person to become an interested stockholder is approved by the board of directors of the target prior to the transaction;
- after completion of the transaction in which the person becomes an interested stockholder, the interested stockholder holds at least 85% of the voting stock of the corporation not including:
 - (1) shares held by officers and directors; and
 - (2) shares held by specified employee benefit plans; or
- after the person becomes an interested stockholder, the business combination is approved by the board and holders of at least 66⅔% of the outstanding voting stock, excluding shares held by the interested stockholder.

VoiceStream

- As a result of the VoiceStream board of director’s unanimous approval and adoption of Deutsche Telekom’s initial investment in VoiceStream, the Deutsche Telekom/ VoiceStream merger and the Deutsche Telekom/ VoiceStream merger agreement, Deutsche Telekom’s initial investment in VoiceStream and the Deutsche Telekom/VoiceStream merger are not subject to the limitations set forth in Section 203, and Deutsche Telekom is deemed not to be an interested stockholder for purposes of Section 203.

Powertel

- As a result of the Powertel board’s unanimous approval and adoption of the Deutsche Telekom/ Powertel merger and the Deutsche Telekom/ Powertel merger agreement and the VoiceStream/Powertel merger and the VoiceStream/Powertel merger agreement, these mergers are not subject to the limitation set forth in Section 203, and neither Deutsche Telekom nor VoiceStream is deemed to be an interested stockholder for purposes of Section 203.

**Provisions Applicable to Deutsche Telekom
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Takeover Related Provisions

- Under Delaware law, directors generally have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interests of the stockholders. Nevertheless, a Delaware court will generally apply a policy of judicial deference to a board of directors' decisions to adopt anti-takeover measures in the face of a potential takeover where the directors are able to show that:
 - they had reasonable grounds for believing that there was a danger to corporate policy and effectiveness from an acquisition proposal; and
 - the board action taken was reasonable in relation to the threat posed.
- No statutory law or case law exists with respect to the standard of conduct applicable to the members of the management board and of the supervisory board of a German stock corporation (*Aktiengesellschaft*) in the context of a threatened change in control. The voluntary German Takeover Guidelines provide that the management board of the target company may not take any measures that would impede the shareholders from taking advantage of the tender offer. This recommendation is based on the principle that the target company's management board has a duty to the shareholders to remain neutral. However, the Local Court of Düsseldorf (*Landgericht Düsseldorf*) held that it may be permissible for a management board to advertise statements reflecting the company's own business concept and its strategy in the mass media.
- The same principles apply under the tentative draft of a German Takeover Act which is expected to enter into force in 2001. However, the draft Takeover Act expressly permits, among other things:
 - solicitation for alternative transactions;
 - other defense measures authorized by the shareholders meeting by a majority of the votes cast, if the resolution is adopted after publication of the offer; and
 - the issuance of new shares granting preemptive rights to shareholders, if the underlying resolution by the shareholders meeting was adopted during the last 18 months prior to the publication of the offer.

Disclosure of Interests

- Acquirors of VoiceStream and Powertel common shares are subject to disclosure requirements under Section 13(d)(1) of the Exchange Act and Rule 13d-1 thereunder, which provide, subject to certain exceptions, that any person who
- Holders of Deutsche Telekom ADSs are required to comply with specified U.S. securities law requirements, including, subject to certain exceptions, filing Schedules 13D with respect to their beneficial ownership of the underlying

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becomes the beneficial owner of more than 5% of the outstanding VoiceStream or Powertel common shares must, within ten days after such acquisition:

- file a Schedule 13D with the SEC disclosing specified information; and
- send a copy of the Schedule 13D to VoiceStream or Powertel, as the case may be.
- Each of VoiceStream and Powertel is required by the rules of the SEC to disclose in the proxy statement relating to their respective annual meetings of stockholders the identity and number of VoiceStream or Powertel common shares, as the case may be, beneficially owned by:
 - each of its directors;
 - its chief executive officer;
 - each of its four most highly compensated executive officers other than its chief executive officer;
 - all of its directors and executive officers as a group; and
 - any beneficial owner of 5% or more of the VoiceStream common shares or Powertel common shares of whom it is aware.

**Provisions Applicable to Deutsche Telekom
Shareholders**

Deutsche Telekom ordinary shares if they beneficially own more than 5% of the Deutsche Telekom ordinary shares outstanding. Under the German Securities Trading Act (*Wertpapierhandelsgesetz*), anyone whose direct or indirect voting interest reaches, exceeds or, after reaching, falls below 5%, 10%, 25%, 50% or 75% of the voting rights in Deutsche Telekom must, within no more than seven calendar days, inform Deutsche Telekom and the Federal Supervisory Authority for Securities Trading (*Bundesaufsichtsamt für den Wertpapierhandel*) in writing:

- that he has reached, exceeded or fallen below one of these thresholds; and
- of the extent of his voting rights.

Failure to notify Deutsche Telekom or the Federal Supervisory Authority will, for so long as such failure continues, disqualify the shareholder from exercising the rights attached to his shares, including voting rights and, if the shareholder is acting intentionally, the right to receive dividends.

In addition, a penalty may be imposed on the shareholder as provided for by law.

Limitation on Enforceability of Civil Liabilities Under U.S. Federal Securities Laws

Ability to Bring Suits, Enforce Judgments and Enforce U.S. Law

- Each of VoiceStream and Powertel is a U.S. company incorporated under the laws of Delaware and has substantial assets located in the United States. As a result, investors generally can initiate lawsuits in the United States against each of VoiceStream and Powertel and its directors and officers and can enforce lawsuits based on U.S. federal securities laws in U.S. courts
- Deutsche Telekom is a German company located in Germany. All of the members of its management board and executive officers are non-residents of the United States. In addition, although Deutsche Telekom will have substantial assets in the United States if the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/Powertel merger are completed, the majority of Deutsche Telekom's assets and a large portion of the assets of Deutsche Telekom's directors and officers will be located outside of the United States.

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- As a result, U.S. investors may find it difficult in a lawsuit based on the civil liability provisions of the U.S. federal securities laws;
 - to effect service within the United States upon Deutsche Telekom and the members of its management board and officers of Deutsche Telekom located outside the United States;
 - to enforce in U.S. courts or outside the United States, judgments obtained against those persons in U.S. courts;
 - to enforce in U.S. courts judgments obtained against those persons in courts in jurisdictions outside the United States; and
 - to enforce against those persons in Germany, whether in original actions or in actions for the enforcement of judgments of U.S. courts, civil liabilities based solely upon the U.S. federal securities laws.

Short Swing Profits

- Directors and officers of each of VoiceStream and Powertel and beneficial owners of 10% or more of the VoiceStream common shares and Powertel common shares are governed by rules under the Exchange Act that may require directors and officers and such beneficial owners to forfeit to each of VoiceStream and Powertel, as the case may be, any “short swing” profits realized from purchases and sales of VoiceStream or Powertel equity securities within a six month period, as determined under the Exchange Act and the rules thereunder.
- Directors and officers of Deutsche Telekom and beneficial owners of 10% or more of Deutsche Telekom ordinary shares are not subject to the Exchange Act’s “short swing” profit rules as long as Deutsche Telekom remains a foreign private issuer under the Exchange Act. Members of the Deutsche Telekom management board and Deutsche Telekom supervisory board, as well as other officers and employees of Deutsche Telekom who are aware of non-public information related to Deutsche Telekom, are prohibited from insider dealing under the German Securities Trading Act.

Proxy Statements and Reports

Notices and Reports to Stockholders

- Under the Exchange Act proxy rules, each of VoiceStream and Powertel must comply with notice and disclosure requirements relating to the solicitation of proxies for stockholder meetings.
- As a foreign private issuer, Deutsche Telekom is exempt from the proxy rules under the Exchange Act.
- However, Deutsche Telekom must comply with notice, publication and information requirements

relating to general shareholders meetings under German law. Announcements concerning shareholders meetings, the payment of dividends, the issuance of new shares, the exercise of exchange, conversion and preemptive rights and any other rights vested in the shares must be published in the German language in at least one newspaper with national circulation (*Börsenpflichtblatt*), and Deutsche Telekom must submit a copy thereof to the Frankfurt Stock Exchange. See also “— Reporting Requirements” and “Description of Deutsche Telekom American Depositary Shares.”

Reporting Requirements

- As U.S. public companies, VoiceStream and Powertel must file with the SEC, among other reports and notices:
 - an annual report on Form 10-K within 90 days after the end of each fiscal year;
 - a quarterly report on Form 10-Q within 45 days after the end of each fiscal quarter; and
 - current reports on Form 8-K upon the occurrence of important corporate events.
- As a foreign private issuer with securities quoted on the NYSE and registered under Section 12 of the Exchange Act, Deutsche Telekom will be required to publicly file with the SEC Annual Reports on Form 20-F within six months after the end of each fiscal year and to furnish to the SEC in reports on Form 6-K, material information that it makes public in Germany.
- Under the German Securities Act (*Börsengesetz* and *Börsenzulassungsverordnung*), if Deutsche Telekom makes an announcement or publication in the United States, which may be relevant to the Deutsche Telekom ordinary shares, Deutsche Telekom must make at least equivalent announcements and publications in the German language in at least one newspaper with national circulation. If the information to be provided is extensive, the admission office of the Frankfurt Stock Exchange may require that such information be made available at the German paying agent, and that an announcement in that respect is published. A copy of such publication has to be submitted to the admission office of the Frankfurt Stock Exchange.
- Deutsche Telekom must also publish the annual accounts, which is the balance sheet, profit and loss accounts and notes thereto, consolidated and unconsolidated, promptly after they have been finally determined. In addition, interim reports for the first six months of Deutsche Telekom's financial year must be published within two months after the first six months have expired. Publication must be made in at least one

newspaper with national circulation or the German Federal Gazette, unless submitted to the German paying agent. The interim report must represent a true and fair view of the financial position and the general course of business of Deutsche Telekom. See also “— Proxy Statements and Reports.”

- Under the German Securities Trading Act, Deutsche Telekom must publish any and all information which is not publicly known if it has a potentially significant effect on the price of the Deutsche Telekom ordinary shares. The facts must be published in at least one newspaper with national circulation or an electronic information system widely used by banks and brokers.

DEUTSCHE TELEKOM FOLLOWING THE DEUTSCHE TELEKOM/ VOICESTREAM MERGER AND THE DEUTSCHE TELEKOM/POWERTEL MERGER

Business and Operations

As a result of the completion of the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/PowerTel merger, each of VoiceStream and PowerTel will become wholly-owned subsidiaries of Deutsche Telekom. It is currently anticipated that after the completion, Deutsche Telekom will transfer VoiceStream and PowerTel, directly or indirectly, to its wholly-owned subsidiary, T-Mobile International AG, which is currently the holding company for a substantial portion of Deutsche Telekom's European mobile telecommunications operations, including the following:

- T-Mobile, Germany's second largest provider of mobile telecommunications services, measured by number of subscribers at December 31, 2000,
- One 2 One, the fourth largest provider of mobile telecommunications services in the United Kingdom, measured by number of subscribers at December 31, 2000, which was acquired by Deutsche Telekom in the fall of 1999, and
- max.mobil Telekommunikation Service GmbH, the second largest Austrian mobile telecommunications company, measured by number of subscribers at December 31, 2000, which became a wholly-owned subsidiary of Deutsche Telekom in April 2000.

In accordance with the Deutsche Telekom/VoiceStream merger agreement, following the completion of the Deutsche Telekom/VoiceStream merger, Deutsche Telekom has agreed to recommend the nomination of one VoiceStream nominee to be appointed to each of the T-Mobile International management board, supervisory board and executive committee, and has agreed to recommend that one current member of the Deutsche Telekom supervisory board be replaced by a person nominated by VoiceStream. It is currently contemplated that John W. Stanton, Chief Executive Officer of VoiceStream, would be the nominee appointed to the T-Mobile International management board and would be responsible for T-Mobile's North American operations. It is expected that VoiceStream's headquarters in Bellevue, Washington would become the base of operations for Deutsche Telekom's mobile services in the United States.

Following the mergers, Deutsche Telekom's strategic focus will continue to be on growth in four key areas: mobile telecommunications, data/Internet Protocol/systems, consumer Internet services and access. Deutsche Telekom has pursued growth in these areas aggressively, primarily through internal growth and acquisitions. In this regard, Deutsche Telekom's primary emphasis will continue to be on Europe and the United States, but Deutsche Telekom may pursue opportunities worldwide. Deutsche Telekom remains intent on expanding its presence internationally. As one of the world's largest telecommunications companies, Deutsche Telekom believes that its advanced network and strategic focus position it well to take advantage of the technological convergence of telecommunications and information services.

With respect to mobile telecommunications operations, following the mergers, Deutsche Telekom will continue to provide voice and data mobile telecommunications services in the United States through the operations of its subsidiaries, VoiceStream and PowerTel, in their respective geographic regions under the VoiceStream brand name. Going forward, Deutsche Telekom will be seeking to expand the availability, quality and functionality of voice and data services offered to its customers in the United States. Deutsche Telekom expects that, after the mergers are completed, it will continue to make substantial capital expenditures in connection with the acquisition of additional mobile licenses, particularly in the United States, the capital requirements related to its network buildout and marketing and distribution efforts in the United States and Europe, as well as the roll-out of third generation mobile voice and data services.

In its more mature European mobile telecommunications markets, Deutsche Telekom's penetration levels may be approaching the point where future revenue growth will be driven less by subscriber additions and more by attracting existing subscribers to new applications, some of which are still under development.

Deutsche Telekom expects to recognize substantial additional depreciation and amortization expense as a result of the allocation of the purchase price of the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/Powertel merger to tangible and intangible assets. Goodwill resulting from the mergers is expected to be amortized over 20 years and certain other tangible and intangible assets are expected to be amortized over useful lives ranging from three to 20 years. In addition, VoiceStream and Powertel have incurred substantial operating losses and generated negative cash flow from operating activities and expect to incur significant operating losses and to generate negative cash flow during the next several years while they continue to develop and construct their systems and grow their subscriber base. The increased depreciation and amortization expense associated with the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/Powertel merger and the increased capital expenditures to be incurred to continue to build out the VoiceStream and Powertel mobile networks in the United States may have a significant adverse effect on Deutsche Telekom's financial results. In addition, after the completion of the mergers, we may elect, or be required, to refinance or renegotiate all or a portion of the VoiceStream and Powertel long-term debt and in doing so, Deutsche Telekom may incur additional costs. On a pro forma basis, the combined statement of operations for Deutsche Telekom, VoiceStream and Powertel for the year ended December 31, 1999 and for the nine months ended September 30, 2000 reflects a net loss of euro 3,109.3 million and net income of euro 4,606.6 million, respectively, in accordance with German GAAP and a net loss of euro 3,516.9 million and net income of euro 5,493.7 million, respectively, in accordance with US GAAP, as compared to Deutsche Telekom's net income for such periods of euro 1,253.0 million and euro 8,445.0 million, respectively, in accordance with German GAAP and euro 1,513.0 million and euro 9,812.0 million, respectively, in accordance with US GAAP. See "Deutsche Telekom Unaudited Pro Forma Condensed Combined Financial Statements."

Management Board and Supervisory Board

General

As required by the German Stock Corporation Act, Deutsche Telekom has a two-tier board system consisting of a management board and a supervisory board. The management board is responsible for managing Deutsche Telekom and representing Deutsche Telekom in its dealings with third parties, while the supervisory board appoints and removes the members of the management board and oversees the management of Deutsche Telekom. The official auditor is engaged by the supervisory board. See "Comparison of Rights of VoiceStream and Powertel Stockholders and Deutsche Telekom Shareholders — Classification of the Board."

Management Board of Deutsche Telekom

Pursuant to Deutsche Telekom's Articles of Association, the supervisory board determines the size of the management board, subject to the requirement that the management board must have at least two members. The supervisory board may appoint a chairman of the management board as well as a deputy chairman.

The members of the management board are appointed by the supervisory board for a term of up to five years and they may be re-appointed or have their term extended for one or more terms of up to five years. Under certain circumstances, such as a material breach of duty or a bona fide vote of no confidence by the shareholders, a member of the management board may be removed by the supervisory board prior to the expiration of the five-year term. A member of the management board may not deal with, or vote on, matters relating to proposals, arrangements or contracts between himself and Deutsche Telekom.

The management board takes action by simple majority unless otherwise provided by law. In the event of a deadlock, the management board member in whose area of responsibility the resolution falls has a deciding vote.

Members of the Management Board of Deutsche Telekom

The name, age, current position and business experience of the current members of the management board are set forth below. The members of the management board may be reached at Deutsche Telekom's registered address.

Dr. Ron Sommer, age 51, was appointed chairman of the management board in May 1995. As such, he is responsible for Group Strategy, Communication, Auditing and Organization, Government Relations, Competition Policy, Regulatory Affairs and top Management. He received a doctorate in mathematics and began his career with the Nixdorf group, first in New York and then in Paderborn and Paris. In 1980, he became managing director of Sony Deutschland and in 1986 became chairman of the management board of Sony Deutschland. In 1990, Dr. Sommer became president and chief operating officer of Sony USA, and in 1993, he took over the management of Sony Europe in the same capacity.

Josef Brauner, age 50, became head of the Sales and Customer Care Division of Deutsche Telekom in October 1998. He joined Deutsche Telekom in June 1997 as head of the Main Department for Sales. He started his sales career with Avery as the U.S. company's branch manager for Germany, Austria and Switzerland. Mr. Brauner next joined Sony Deutschland, where he was appointed head of sales in the investment goods division and afterwards became head of that division. In 1988, Mr. Brauner became a member of the management board of Sony Deutschland, and in 1993 was appointed chairman of that board.

Detlev Buchal, age 55, was appointed head of the Product Marketing Division in October 1998, having previously acted as head of the Sales and Distribution Division (Business and Residential Customers). After holding various management positions in the banking industry, he joined the management board of the GZS Gesellschaft für Zahlungssysteme GmbH of the German Eurocardund eurocheque-Zentrale. In 1992, he became chairman of that board, primarily responsible for strategic planning, marketing and sales. He has been a member of Deutsche Telekom's management board since February 1996.

Dr. Karl-Gerhard Eick, age 46, was appointed head of Finance and Controlling Division in January 2000. After studying business administration and earning a doctorate, Dr. Eick worked in various positions for BMW AG between 1982 and 1988. From 1989 to 1991 he acted as head of Controlling at WMF AG in Geislingen. In 1991, he became head of the Controlling, Planning and IT Division for the Carl Zeiss Group. From 1993 to 1999, he held top management positions with the Haniel Group, where he was responsible for the Controlling, Business Administration and IT Division of the strategic management holding company of Franz Haniel & Cie. GmbH. He has been a member of Deutsche Telekom's management board since January 2000.

Jeffrey A. Hedberg, age 39, has been the head of Deutsche Telekom's International Division since January 1999. Mr. Hedberg, who is a U.S. citizen, joined the TVM/Matuschka group in Munich in 1985, where he was primarily involved in analyzing venture capital projects for companies with international operations. From 1990 to 1992, he worked in the international division of US West, and then as an associate at Coopers & Lybrand in the international projects of globally active telecommunications group. In 1994, Mr. Hedberg joined Swisscom, where he was in charge of international investments as Executive Vice President and member of the company's senior management. He has been a member of Deutsche Telekom's management board since 1999.

Dr. Hagen Hultsch, age 60, was appointed head of Deutsche Telekom's Technology and Services Division in July 1993. Dr. Hultsch received a doctorate in physics and was Assistant Professor in Mainz before in 1977 becoming head of the Computer Center of the Gesellschaft für Schwerionen Forschung (GSI. Center for Heavy Ion Research) in Darmstadt. In 1985, he became director of the Technical Services Group Germany at Electronic Data Systems. In 1988, Dr. Hultsch joined Volkswagen AG as the corporate executive director responsible for Organization and Information Systems. From July 1993 until 1994, he was a member of the management board of Deutsche Bundespost TELEKOM, and he has been a member of Deutsche Telekom's management board since January 1995.

Dr. Heinz Klinkhammer, age 54, was appointed head of Deutsche Telekom's Personnel and Legal Affairs Division in 1996. Dr. Klinkhammer received a doctorate in law and began his career at the Institute for German and European Labor, Social and Business Law before becoming a Labor Court judge. From 1979 to 1990, he worked at the Ministry of Labor, Health and Social Affairs of the state of North-Rhine/Westphalia. In 1991, he became Labor Director at Hüttenwerke Krupp Mannesmann GmbH and, in 1992, board member of Mannesmannröhren-Werke AG. He has been a member of Deutsche Telekom's management board since April 1996.

Gerd Tenzer, age 57, was appointed head of the Networks Division in January 1990 and is now also responsible for Purchasing, Environmental Protection, Carrier Services and Broadcasting and Broadband Cable. From 1990 to 1994, he was a member of the management board of Deutsche Bundespost TELEKOM, and has been a member of Deutsche Telekom's management board since January 1995. As a communications engineer, he worked in the telecommunications research department at AEG-Telefunken from 1968 to 1970. In 1970, he joined what was then the Deutsche Bundespost. In 1975, Mr. Tenzer moved to the Federal Ministry of Posts and Telecommunications, where he became head of the Telecommunications Policy Section in 1980.

Management Board Compensation and Share Ownership

The remuneration of the management board of Deutsche Telekom in respect of financial year 2000 amounted to 8,970,291.16 euros. A portion of the total compensation of the management board is paid pursuant to a bonus arrangement consisting of a guaranteed portion and a variable portion. The variable portion is dependent upon a number of criteria, including the attainment of certain financial performance objectives and the achievement of certain individual performance objectives. For the year ended December 31, 2000, 30.02% of the total remuneration was paid pursuant to this bonus arrangement. The members of the management board of Deutsche Telekom further received additional bonus payments during fiscal year 2000 in the aggregate amount of 2,692,974 euros. In addition, a proposal to establish a stock option program for the members of the management board and key employees was approved at the shareholders' meeting on May 25, 2000. For further information on this program, see "Description of Deutsche Telekom Ordinary Shares — Share Capital — Conditional Capital."

Pension accruals totaling 21,777,792.03 euros have been established in the books of Deutsche Telekom for the members of the management board as of December 31, 2000. Obligations for such persons for which no reserve has been established amounted to 3,285,382.67 euros as of December 31, 2000. Payments to former members for the management board of Deutsche Telekom or their surviving family members amounted to 977,271.32 euros in 2000.

The members of Deutsche Telekom's management board owned a total of approximately 4,200 Deutsche Telekom shares as of March 31, 2000.

Supervisory Board of Deutsche Telekom

In accordance with the German Stock Corporation Act (*Aktiengesetz*), the supervisory board of Deutsche Telekom consists of twenty members, ten of whom represent the shareholders and ten of whom represent the employees. Members of the supervisory board may be elected for a term of up to approximately five years. The supervisory board members representing the shareholders are elected at the General Meeting of the shareholders. Most of the current supervisory board members representing employees were elected on October 2, 1997 by the employees in accordance with the provisions of the Co-Determination Act of 1976 (*Mitbestimmungsgesetz*). In this election procedure, employees elect ten representatives made up of workers, regular employees, senior management employees and three union representatives. Under the law that governed the conversion of Deutsche Telekom to a stock corporation, civil servants, who are not covered by the Co-Determination Act, are included in these groups according to their occupations for purposes of these elections.

The supervisory board must meet at least twice in each half year. To achieve a quorum, at least ten of the members of the supervisory board must be present or cast their votes in writing. Except in situations

in which a different majority is required by law, the supervisory board takes decisions by simple majority of the votes cast. If, in the event of a deadlock, a second vote again results in a tie, the chairman of the supervisory board can cast a deciding vote.

The supervisory board has formed several committees including a mediation committee, a personnel committee for extraordinary matters and a presiding committee. All committees have an equal number of shareholder representatives and employee representatives. The chairman of the supervisory board is the chairman of the mediation committee and the presiding committee where he has the deciding vote in case of a tie. In the other committees, the chairman does not have the deciding vote in case of a tie. The chairman of the personnel committee is a representative of the employees.

The first election of shareholder representatives to the supervisory board took place at the shareholders' meeting in July 1996. Since then, further elections have taken place to fill vacancies of the supervisory board. The terms of office of the shareholder representatives will expire at the end of the shareholders' meeting at which the shareholders discharge the supervisory board members in respect of the financial year 2000, which is expected to occur in 2001. The terms of office of the employee representatives on the supervisory board expire in 2002 upon the election of new employee representatives in accordance with the Co-Determination Act.

Members of the Supervisory Board of Deutsche Telekom

The current members of Deutsche Telekom's supervisory board, the years of their appointment and their principal occupations are as follows:

<u>Name</u>	<u>Member since</u>	<u>Principal Occupation</u>
Dr. Hans-Dietrich Winkhaus	1999	chairman, chairman of the management board of Henkel KGaA
Rüdiger Schulze	1999	vice-chairman, Member of the Central Executive Committee of the German Postal Union
Gert Becker	1995	former chairman of the management board of Degussa AG
Josef Falbisoner	1997	chairman of Deutsche Postgewerkschaft trade union, Bavarian District
Dr. Hubertus von Grünberg	2000	chairman of the supervisory board of Continental AG
Dr. sc. techn. Dieter Hundt	1995	managing shareholder of Allgaier Werke GmbH & Co. KG; president of the National Union of German Employers Associations
Rainer Koch	2000	chairman of the Works Council of DeTeImmobilien
Dr. h.c. André Leysen	1995	chairman of the supervisory board of GEVAERT N.V.
Waltraud Litzenberger	1999	chairwoman of the Works Council of NL Bad Kreuznach
Michael Löffler	1995	chairman of the Works Council at Leipzig Branch Office 1, Deutsche Telekom AG
Hans-W. Reich	1999	speaker of the management board, Kreditanstalt für Wiederaufbau
Rainer Röhl	1998	vice-chairman of the Central Works Council at Deutsche Telekom
Wolfgang Schmitt	1997	head of Freiburg i.B. Regional Directorate, Deutsche Telekom

<u>Name</u>	<u>Member since</u>	<u>Principal Occupation</u>
Prof. Dr. Helmut Sihler	1996	chairman, Member of the Shareholders' Committee of Henkel KGaA
Michael Sommer	2000	vice-chairman of the Deutsche Post Gewerkschaft
Ursula Steinke	1995	chairwoman of the Works Council at DeTeCSM Northern District Service and Computer Center
Prof. Dr. h.c. Dieter Stolte	1995	director general of the Zweites Deutsches Fernsehen (ZDF) broadcasting organization
Bernhard Walter	1999	former chairman of the management board of Dresdner Bank
Wilhelm Wegner	1996	chairman of the Central Works Council at Deutsche Telekom
Prof. Dr. Heribert Zitzelsberger	1999	state secretary in BMF, the Federal Finance Ministry (<i>Bundesministerium der Finanzen</i>)

In the Deutsche Telekom/VoiceStream merger agreement, Deutsche Telekom has agreed to use reasonable efforts after the closing to recommend to the shareholders and organizational bodies of Deutsche Telekom to include a person nominated by VoiceStream in consultation with Deutsche Telekom who is reasonably acceptable to Deutsche Telekom as a member of the Deutsche Telekom supervisory board in replacement for one of the current members of the Deutsche Telekom supervisory board.

Supervisory Board Compensation and Share Ownership

The Articles of Association as amended by a shareholders resolution on May 25, 2000 provide for an annual compensation at 50,000 euros for the chairman, 37,500 euros for the deputy chairman and 25,000 euros for each remaining member of the supervisory board. In addition, members of the supervisory board are entitled to reimbursement of actual out-of-pocket expenses and to receive an attendance fee amounting to 200 euros for each meeting of the supervisory board or its committees. The value-added tax payable on this compensation will be borne by Deutsche Telekom. These compensation rules apply for the first time for the 1999 financial year. In 2000, remuneration was paid to members of the supervisory board of Deutsche Telekom for 2000 in the amount of 546,498.00 euros inclusive of meeting expenses of 34,000.00 euros.

The members of the supervisory board owned a total of approximately 2,700 Deutsche Telekom shares as of December 31, 2000.

VOICESTREAM FOLLOWING THE VOICESTREAM/POWERTEL MERGER

Business and Operations

After the VoiceStream/Powertel merger, VoiceStream will continue to offer the services currently offered by VoiceStream and Powertel, which include advanced data capabilities, voice and text messaging, privacy and security using smart card technology, caller identification and global roaming. VoiceStream will continue to employ the GSM digital standard for its PCS systems. The acquisition by VoiceStream of Powertel, which operates a GSM-based network in 12 southeastern states where VoiceStream generally does not operate, fills the most significant gap in VoiceStream's U.S. coverage, and will give the combined company a more complete nationwide coverage. Together with Powertel and its affiliates, VoiceStream will have licenses to serve 23 of the 25 largest markets in the United States and will have approximately 250 million licensed POPs. Powertel's current network coverage enables access to approximately 25 million potential customers.

Following the VoiceStream/Powertel merger, VoiceStream's strategy will be to efficiently consolidate the operations and marketing of VoiceStream and Powertel under the VoiceStream brand name, and to:

- *Penetrate the rapidly growing, broad consumer market segment.* VoiceStream will seek to penetrate the consumer segment of the market by providing premier value in wireless services with more minutes, features and services at attractive price points, and marketing such features and services under its "Get More From Life" message. This marketing message is delivered by a celebrity spokesperson, Jamie Lee Curtis.
- *Increase Sales.* VoiceStream's services and products will continue to be sold through an extensive and balanced distribution network featuring national and local dealers, company-owned stores and a direct sales force.
- *Achieve cost efficiencies through centralization and size.* VoiceStream plans to continue to centralize key functions such as customer care and sales. VoiceStream's size should also enable it to purchase network and subscriber equipment at favorable pricing and financing terms.
- *Build high quality networks with extensive coverage.* VoiceStream plans to continue to construct its networks to increase capacity and enhance call quality. In addition, VoiceStream will seek to launch networks with substantial geographic coverage in and around the metropolitan markets that it serves.
- *Offer features that capitalize on the advantages of GSM wireless technology.* VoiceStream will continue to offer a wide variety of wireless products and services including the capability of offering customers next-generation wireless voice and data services such as wireless Internet and multimedia applications.
- *Acquire PCS licenses and systems opportunistically.* VoiceStream will continue to seek opportunities to acquire additional PCS licenses, systems and/or operators which are additive to its current footprint, increase its spectrum or that would increase the availability of GSM wireless service in North America.

Officers and Directors

The officers of VoiceStream immediately before the VoiceStream/Powertel merger will be the officers of VoiceStream immediately after the VoiceStream/Powertel merger.

In connection with the VoiceStream/Powertel merger agreement, the parties to a voting agreement among VoiceStream stockholders beneficially owning more than 50% of VoiceStream's outstanding voting shares agreed that in the event that the Deutsche Telekom/VoiceStream merger agreement is terminated and the VoiceStream/Powertel merger is completed, that voting agreement will be amended as necessary

to entitle the current Powertel board to designate one member to the VoiceStream board. The Powertel designee would be nominated for re-election at each of the first two annual meetings of VoiceStream stockholders after the completion of the VoiceStream/Powertel merger.

OWNERSHIP OF CAPITAL STOCK OF VOICESTREAM AND POWERTEL

Beneficial Ownership of VoiceStream Common Shares

The following table sets forth certain information regarding beneficial ownership of VoiceStream common shares and vested options to purchase VoiceStream common shares as of February 5, 2001, except as otherwise noted below, including beneficial ownership by:

- each person who is known by VoiceStream to own beneficially 5% or more of the outstanding VoiceStream common shares;
- each VoiceStream director;
- each of the executive officers named in the summary compensation table in VoiceStream's annual report on Form 10-K for the fiscal year ended December 31, 1999, which in this document we refer to as the "named executive officers"; and
- all directors and executive officers as a group.

The information in the table below has been calculated in accordance with Rule 13d-3 under the Exchange Act. Except as indicated in the footnotes to the table, the persons named in the table have sole voting and investment power with respect to all VoiceStream common shares shown as beneficially owned by them, subject to community property laws where applicable. A person or entity is considered to "beneficially own" any shares over which such person or entity exercises sole or shared voting or investment power, or, which such person or entity has the right to acquire at any time within 60 days of February 5, 2001. In addition to the common share ownership information set forth below, on September 6, 2000, Deutsche Telekom acquired the entire class of outstanding VoiceStream voting preferred shares, consisting of 3,906,250 shares. Each VoiceStream voting preferred share entitles its holder to one vote, voting together as a single class with the holders of VoiceStream common shares. The business address of VoiceStream's directors, other than as noted below, and executive officers is: c/o VoiceStream Wireless Corporation, 12920 SE 38th Street, Bellevue, WA 98006.

<u>Name and Address</u>	<u>Total Shares Beneficially Owned</u>	<u>Total Percentage of Shares Beneficially Owned</u>
Hutchison Whampoa Limited 22nd Floor, Hutchison House 10 Harcourt Road Hong Kong	55,899,252	22.26%
TDSI Corporation, a wholly-owned subsidiary of Telephone & Data Systems, Inc. 30 N. LaSalle Street, Suite 4000 Chicago, IL 60602	35,570,494	14.17%
Sonera Corporation Fin-00051-Tele Sturenkatu 16, Helsinki Finland	18,975,774	7.56%
The Goldman Sachs Group, Inc. (a) (j) and related investors 85 Broad Street, 10th Floor New York, NY 10004	9,800,469	3.90%

<u>Name and Address</u>	<u>Total Shares Beneficially Owned</u>	<u>Total Percentage of Shares Beneficially Owned</u>
John W. Stanton and Theresa E. Gillespie(b)(c) 3650 131st Avenue SE Bellevue, WA 98006	6,062,652	2.41%
Douglas G. Smith(b)(d) 3 Metrocenter, Suite 400 Bethesda, MD 20814	4,306,416	1.71%
Richard L. Fields(b)(e) 711 Fifth Avenue New York, NY 10022	2,157,100	*
James N. Perry, Jr.(b)(f) Three First National Plaza Suite 1330 Chicago, IL 60602	588,067	*
Cregg B. Baumbaugh(b)	278,050	*
Alan R. Bender(b)	251,028	*
James J. Ross(b)(g)	995,406	*
Robert R. Stapleton(b)	786,703	*
Donald Guthrie(b)	425,980	*
Mitchell R. Cohen(b)(h)	25,610	*
Daniel J. Evans(b)	7,288	*
Jonathan M. Nelson(b)(i)	4,546,301	1.81%*
Terence M. O'Toole (b)(j)	9,800,469	3.90%
Canning Fok(b)(k)	55,899,972	22.26%
Susan M. F. W. Chow(b)(k)	55,899,502	22.26%
Frank J. Sixt(b)(k)	55,899,502	22.26%
Hans Snook(b)	3,685	*
Kaj-Erik Relander(b)(l)	18,976,024	7.57%
All directors and executive officers as a group (21 persons)(b)(m)	140,866,828	54.75%

* Less than 1% of the outstanding common shares.

(a) Includes (1) 8,986,738 VoiceStream common shares held of record by GS Capital Partners, L.P., (2) 470,401 VoiceStream common shares held of record by Stone Street Fund 1992, L.P., (3) 273,069 VoiceStream common shares held of record by Bridge Street Fund 1992, L.P., and (4) 68,821 VoiceStream common shares held of record by The Goldman Sachs Group, Inc. Each of GS Capital, Stone Street and Bridge Street is an investment limited partnership, the general partner, the managing general partner or the managing partner of an affiliate of The Goldman Sachs Group, Inc. Goldman Sachs and The Goldman Sachs Group, Inc. disclaims beneficial ownership of shares held by such investment partnerships to the extent interests in such partnerships are held by persons other than The Goldman Sachs Group, Inc. and its affiliates. Also includes options to purchase 1,440 common shares granted to Mr. Terence M. O'Toole that he holds for the benefit of The Goldman Sachs Group, Inc. Mr. O'Toole, who is a managing director of Goldman Sachs, disclaims beneficial ownership of these common shares. Excludes (i) common shares owned by Goldman Sachs which were acquired in ordinary course trading activities and (ii) common shares held in client accounts, for which Goldman Sachs exercises voting or investment authority, or both. Goldman Sachs and The Goldman Sachs Group, Inc. disclaim beneficial ownership of common shares held in these client accounts.

(b) May include stock jointly or separately owned with or by a spouse or a family trust.

- (c) Mr. Stanton and Ms. Gillespie are husband and wife. Their beneficial ownership includes (1) 1,686,069 VoiceStream common shares held of record by PN Cellular, Inc., which is substantially owned and controlled by Mr. Stanton and Ms. Gillespie; (2) 1,274,519 VoiceStream common shares held of record by Stanton Communications Corporation which is substantially owned and controlled by Mr. Stanton and Ms. Gillespie, as tenants in common; (3) 164,437 VoiceStream common shares held by The Stanton Family Trust; and (4) 35,000 VoiceStream common shares and 10,000 VoiceStream common shares held of record by each of Mr. Stanton and Ms. Gillespie, respectively, pursuant to the Western Wireless 1997 Executive Restricted Stock Plan. Mr. Stanton and Ms. Gillespie share voting and investment power with respect to the shares jointly owned by them, as well as the shares held of record by PN Cellular, Stanton Communications Corporation and the Stanton Family Trust.
- (d) Includes 27,896 VoiceStream common shares owned by Mr. Smith's minor children, 1,348,630 common shares held by Avance Capital, Avance Capital II, Avance Capital III, all sole proprietorships, and 428,572 VoiceStream common shares held in a grantor trust. Mr. Smith does not exercise voting or investment power over, and disclaims beneficial ownership of, the shares held in the grantor trust. Of the total shares held in Mr. Smith's name and in the name of Avance, 1,428,572 are held in a blind trust. While Mr. Smith is the beneficial owner of these shares, he exercises no control over these shares. The blind trust is free to sell, exchange, hedge, or otherwise dispose of these shares at any time. Mr. Smith has voting and investment power with respect to the other shares.
- (e) Includes 1,627,336 VoiceStream common shares owned by Allen & Company Incorporated, including 247,447 VoiceStream common shares issuable upon exercise of outstanding warrants held by Allen & Company Incorporated and 27,397 common shares issuable upon exercise of outstanding warrants held by Mr. Fields. Mr. Fields is a Managing Director of Allen & Company Incorporated. Of such amounts, Mr. Fields does not exercise voting or investment power over, and disclaims beneficial ownership of the 1,627,336 VoiceStream common shares owned by Allen & Company Incorporated.
- (f) Includes 562,267 VoiceStream common shares owned by Madison Dearborn Partners, L.P. and 8,307 VoiceStream common shares held in trust for Mr. Perry's children. Mr. Perry is a member of the committee that manages Madison Dearborn Partners, L.P. Mr. Perry may therefore be deemed to share investment control with respect to the common shares owned by Madison Dearborn Partners, L.P. and may therefore be deemed to have beneficial ownership of shares of common shares owned by Madison Dearborn Partners, L.P.
- (g) Includes 256,724 VoiceStream common shares held in trust for Mr. Ross' children. Mr. Ross may be deemed to be the beneficial owner of such shares.
- (h) Includes options to purchase 485 VoiceStream common shares granted to Mr. Cohen that he holds for the benefit of Hellman & Friedman Partners II, L.P. Mr. Cohen disclaims beneficial ownership of these shares.
- (i) Includes (1) 28,538 VoiceStream common shares held in the Jonathan M. Nelson Family Foundation, of which Mr. Nelson is president, (2) 720 VoiceStream common shares held by Providence Media Services, Inc. of which Mr. Nelson is president, and options to purchase 720 VoiceStream common shares granted to Mr. Nelson that he holds for the benefit of Providence Media Services, Inc; (3) a total of 4,000,000 VoiceStream common shares issuable to Providence Equity Partners III, L.P. and Providence Equity Operating Partners III, L.P. in exchange for their interests in a joint venture entity with VoiceStream; and (4) 321,334 VoiceStream common shares issuable to Providence Media Partners, L.P. in exchange for its interest in a separate joint venture entity with VoiceStream. Mr. Nelson is a member and the managing director of Providence Equity Partners III, LLC, which controls Providence Equity Partners III, L.P. and Providence Equity Operating Partners III, L.P. and is the managing general partner of Providence Ventures L.P., which controls Providence Media Partners, L.P. Mr. Nelson

disclaims beneficial ownership of the shares listed above except to the extent of his pecuniary interest therein, if any.

- (j) Includes 9,800,469 VoiceStream common shares beneficially owned by The Goldman Sachs Group, Inc. Mr. O'Toole, who is a managing director of Goldman Sachs, disclaims beneficial ownership of VoiceStream common shares, which may be deemed to be beneficially owned by The Goldman Sachs Group, Inc., except to the extent of his pecuniary interest therein, if any.
- (k) Includes 55,899,252 VoiceStream common shares owned by Hutchison Whampoa Limited, as Mr. Fok is the Group Managing Director of Hutchison Whampoa Limited, and each of Mrs. Chow and Mr. Sixt are executive directors of Hutchison Whampoa Limited. Each of Mr. Fok, Mrs. Chow and Mr. Sixt disclaim beneficial ownership of these shares.
- (m) Kaj-Erik Relander, the director designated by Sonera Corporation, may be deemed to be the owner of the VoiceStream common shares owned by Sonera Corporation. Mr. Relander disclaims beneficial ownership of these shares.
- (n) In determining the aggregate number of shares owned by VoiceStream executive officers and directors, VoiceStream common shares as to which such executive officers and directors share voting or investment power have not been duplicated.

Beneficial Ownership of Powertel Common Shares

The following table sets forth certain information regarding beneficial ownership of Powertel common shares as of February 5, 2001 (except as otherwise noted below), including beneficial ownership by the following:

- each person who is known by Powertel to own beneficially 5% or more of the outstanding Powertel common shares;
- each Powertel director;
- each of the executive officers named in the summary compensation table in Powertel's annual report on Form 10-K for the fiscal year ended December 31, 1999; and
- all directors and executive officers as a group.

The information in the table below has been calculated in accordance with Rule 13d-3 under the Exchange Act. Except as indicated in the footnotes to the table, the persons named in the table have sole voting and investment power with respect to all Powertel common shares shown as beneficially owned by them, subject to community property laws where applicable. A person or entity is considered to "beneficially own" any shares over which such person or entity exercises sole or shared voting or investment power, or, which such person or entity has the right to acquire at any time within 60 days of February 5, 2001. The business address of Powertel's directors and executive officers, other than as noted below, is: 1239 O.G. Skinner Drive, West Point, Georgia 31833.

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Common Shares Outstanding</u>
ITC Holding Company, Inc.(a) 3300 20th Avenue, Valley, Alabama 36854	7,808,616	23.4%
SCANA Communications Holdings, Inc.(b) 300 Delaware Avenue, Suite 510, Wilmington, Delaware 19801-1622	4,995,697	15.0
Sonera Corporation(c) Teollisuuskatu 15, P.O. Box 106, FIN-00051, Helsinki, Finland	6,367,721	16.8
Janus Capital Corporation 100 Filimore Street, Suite 300, Denver, Colorado 80206-4923	1,724,855	5.2
Donald W. Burton(d)(e) 614 West Bay Street, Suite 200, Tampa, Florida 33606	1,603,727	4.8
Campbell B. Lanier, III(f)(g)	237,485	*
Allen E. Smith(d)	161,907	*
O. Gene Gabbard(d)(f)	196,191	*
William H. Scott, III(h)	43,859	*
Donald W. Weber(d)	20,000	*
Ann M. Milligan	—	—
William B. Timmerman	—	—
Fred G. Astor, Jr.(d)(i)	124,759	*
Walter R. Pettiss(d)(j)	60,494	*
Nicholas J. Jebbia(d)	40,888	*
Rodney D. Dir(d)	43,686	*
All executive officers and directors as a group (15 persons)(d)-(j)	2,460,628	7.3

* Less than 1% of the outstanding common shares.

- (a) ITC Holding Company has pledged approximately 4.2 million of its Powertel common shares to certain lenders in connection with a credit facility. Does not include 3,407,542 Powertel common shares issuable upon conversion of Powertel Series F preferred shares.
- (b) Includes options to acquire 15,000 Powertel common shares. Does not include:
- 4,626,744 Powertel common shares issuable upon conversion of Powertel Series B preferred shares;
 - 1,764,706 Powertel common shares issuable upon conversion of Powertel Series D preferred shares; and
 - 3,407,542 Powertel common shares issuable upon conversion of Powertel Series E preferred shares.
- (c) These shares are issuable upon conversion of Powertel Series A preferred shares, which is currently convertible.
- (d) Includes the following Powertel common shares that the named individuals have the right to purchase within 60 days of February 5, 2001 pursuant to options:

Donald W. Burton	10,000
Allen E. Smith	77,458
O. Gene Gabbard	20,000
Donald W. Weber	8,000
Fred G. Astor, Jr.	46,892
Walter R. Pettiss	47,404
Nicholas J. Jebbia	28,947
Rodney D. Dir	<u>29,567</u>
Total	<u><u>268,268</u></u>

- (e) Includes:
- 116,104 Powertel common shares held of record by The Burton Partnership, Limited Partnership, of which Mr. Burton is the sole general partner;
 - 348,313 Powertel common shares held of record by The Burton Partnership (QP), Limited Partnership, of which Mr. Burton is the sole general partner;
 - 654,893 Powertel common shares held of record by South Atlantic Venture Fund II, Limited Partnership, of which South Atlantic Venture Partners II, Limited Partnership is the sole general partner, of which Mr. Burton is the managing general partner;
 - 464,417 Powertel common shares held of record by South Atlantic Venture Fund III, Limited Partnership, of which South Atlantic Venture Partners III, Limited Partnership is the sole general partner, of which Mr. Burton is the managing general partner;
 - 4,200 Powertel common shares held of record by South Atlantic Private Equity Fund IV, Limited Partnership, of which South Atlantic Private Equity Partners IV, Inc. is the sole general partner, of which Mr. Burton is the chairman; and
 - 5,800 Powertel common shares held of record by South Atlantic Private Equity Fund IV (QP) Limited Partnership, of which South Atlantic Private Equity Partners IV, Inc. is the sole general partner, of which Mr. Burton is the chairman.
- Mr. Burton disclaims beneficial ownership of these shares.
- (f) Includes 176,191 Powertel common shares held of record by The Charitable Remainder Education Trust III, of which Messrs. Gabbard and Lanier are trustees. Messrs. Gabbard and Lanier disclaim beneficial ownership of these shares.

- (g) Includes 2,620 Powertel common shares held of record by Mr. Lanier's wife and 500 Powertel common shares held by Mr. Lanier as custodian for his son. Mr. Lanier disclaims beneficial ownership of such shares.
- (h) Includes 3,200 Powertel common shares held of record by Mr. Scott's wife as trustee and 100 Powertel common shares held by Mr. Scott's daughter. Mr. Scott disclaims beneficial ownership of such shares.
- (i) Includes 1,000 Powertel common shares and 300 Powertel common shares held of record by Mr. Astor's wife and minor sons, respectively. Mr. Astor disclaims beneficial ownership of such shares.
- (j) Includes warrants to acquire 128 Powertel common shares.

FEES AND EXPENSES

Deutsche Telekom, VoiceStream and Powertel have agreed to each pay one third of the expenses incurred in connection with the cost of printing and distributing this proxy statement/prospectus, Deutsche Telekom and VoiceStream have each agreed to pay one half of the amount of the SEC filing fees incurred in connection with registering the Deutsche Telekom ADSs and Deutsche Telekom ordinary shares issuable upon completion of the Deutsche Telekom/VoiceStream merger. Deutsche Telekom and Powertel have each agreed to pay one half of the amount of the SEC filing fees incurred in connection with registering the Deutsche Telekom ADSs and Deutsche Telekom ordinary shares issuable upon completion of the Deutsche Telekom/Powertel merger. VoiceStream and Powertel have each agreed to pay one half of the amount of the SEC filing fees incurred in connection with registering the shares of VoiceStream common shares issuable upon completion of the VoiceStream/Powertel merger. See "Summary of Deutsche Telekom/Powertel and VoiceStream/Powertel Transaction Documents — The Deutsche Telekom/Powertel Merger Agreement — Expenses" and "Summary of Deutsche Telekom/Powertel and VoiceStream/Powertel Transaction Document — The VoiceStream/Powertel Merger Agreement — Expenses."

Deutsche Telekom and its subsidiaries estimate that they will incur fees and expenses in connection with the Deutsche Telekom/VoiceStream and Deutsche Telekom/Powertel mergers of approximately \$120 million.

VoiceStream estimates that it will incur fees and expenses in connection with the Deutsche Telekom/VoiceStream merger and the VoiceStream/Powertel merger of approximately \$125 million and \$15 million, respectively.

Powertel estimates that it will incur fees and expenses in connection with the Deutsche Telekom/Powertel merger and the VoiceStream/Powertel merger of approximately \$38 million and \$33 million, respectively.

These fees and expenses related to the mergers will be financed from generally available funds of each of Deutsche Telekom, VoiceStream and Powertel.

Neither Deutsche Telekom, VoiceStream nor Powertel will pay any fees or commissions to any broker or dealer or any person, other than MacKenzie Partners and the escrow agent, for soliciting VoiceStream stockholders or Powertel stockholders with respect to the mergers. Upon request, VoiceStream and Powertel, respectively, will reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

LISTING OF SECURITIES

Deutsche Telekom ADSs and Deutsche Telekom Ordinary Shares

Under the Deutsche Telekom/VoiceStream merger agreement and the Deutsche Telekom/Powertel merger agreement, Deutsche Telekom has agreed to take all steps necessary for the listing and authorization for listing on the NYSE and the Frankfurt Stock Exchange, subject to official notice of issuance, of the Deutsche Telekom ADSs and the Deutsche Telekom ordinary shares, respectively, to be issued pursuant to the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/Powertel merger. Deutsche Telekom expects that the Deutsche Telekom ADSs and the Deutsche Telekom ordinary shares to be issued to the VoiceStream and Powertel stockholders will continue to trade on the NYSE and the Frankfurt Stock Exchange under the symbols "DT" and "DTE", respectively.

VoiceStream Common Shares

Under the VoiceStream/Powertel merger agreement, VoiceStream has agreed to use its reasonable best efforts to be included on the Nasdaq Stock Market, upon notification of issuance, the shares of VoiceStream common shares to be issued in connection with the VoiceStream/Powertel merger.

VoiceStream expects that its common shares, including the shares issued to Powertel stockholders pursuant to the VoiceStream/Powertel merger, will continue to trade on the Nasdaq Stock Market under the symbol "VSTR".

VALIDITY OF SECURITIES

Dr. Manfred Balz, Deutsche Telekom's General Counsel, will pass upon the validity under German law of the Deutsche Telekom ordinary shares to be issued pursuant to the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/Powertel merger. Preston Gates & Ellis LLP will pass upon the validity under U.S. federal and Delaware law of the VoiceStream common shares to be issued pursuant to the VoiceStream/Powertel merger.

EXPERTS

The consolidated financial statements of Deutsche Telekom as of December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999, incorporated in this document by reference to the Deutsche Telekom Annual Report on Form 20-F, which incorporates said financial statements to the Deutsche Telekom Annual Report for 1999 filed on Form 6-K, have been so incorporated in reliance on the report of PwC Deutsche Revision, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of VoiceStream and its subsidiaries as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999, incorporated in this document by reference to VoiceStream's Annual Report on Form 10-K for the year ended December 31, 1999, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon their authority as experts in giving said reports.

The consolidated financial statements of Omnipoint and its subsidiaries as of December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999, incorporated in this document by reference to VoiceStream's Current Report on Form 8-K dated September 29, 2000, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Aerial and its subsidiaries as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999, included in Aerial's Form 10-K, incorporated into this document by reference to VoiceStream's Current Report on Form 8-K, dated March 23, 2000, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon their authority as experts in giving said reports.

The consolidated financial statements of Powertel and its subsidiaries as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999, included in Powertel's Annual Report on Form 10-K, incorporated herein by reference, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon their authority as experts in giving said reports.

**STOCKHOLDER PROPOSALS FOR THE 2001 ANNUAL MEETING
OF VOICESTREAM STOCKHOLDERS**

VoiceStream will hold an annual meeting in the year 2001 only if the Deutsche Telekom/VoiceStream merger has not already been completed. If the 2001 annual meeting is held, stockholders' proposals will be eligible for consideration for inclusion in the proxy statement for that annual meeting if those proposals are received by VoiceStream within a reasonable time before the solicitation of proxies for the 2001 annual meeting is made. Any stockholder proposal or notice should be directed to the attention of the Secretary, VoiceStream Wireless Corporation, 12920 SE 38th Street, Bellevue, Washington 98006.

**STOCKHOLDER PROPOSALS FOR THE 2001 ANNUAL MEETING
OF POWERTEL STOCKHOLDERS**

If either the Deutsche Telekom/Powertel merger or the VoiceStream/Powertel merger is completed as expected, Powertel will not hold an annual meeting of Powertel stockholders in 2001. If neither the Deutsche Telekom/Powertel merger nor the VoiceStream/Powertel merger is completed for any reason, Powertel expects to hold its 2001 annual meeting of stockholders in May 2001. To enable management to analyze and respond adequately to proposals and to prepare appropriate proposals for presentation in next year's proxy statement, a Powertel stockholder must submit his or her proposal to Powertel no later than December 29, 2000, to the attention of the Secretary, at Powertel, Inc., 1239 O.G. Skinner Drive, West Point, Georgia 31833. Powertel stockholders may also submit the names of individuals whom they wish to be considered by the Powertel board of directors as nominees for directors. For each matter a stockholder intends to bring before the meeting, their notice must include a brief description of the business they wish to be considered, any material interest they have in that business and the reasons for conducting that business at the meeting. The notice must also include the stockholder's name and address and the class and number of Powertel shares that they own. Any proposal for presentation at Powertel's next annual meeting which is outside the process of Rule 14a-8 under the Exchange Act will be considered untimely for purposes of Rules 14a-4 and 14a-5 if Powertel receives it after March 13, 2001.

DEUTSCHE TELEKOM

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements combine the historical consolidated balance sheets and statements of operations of Deutsche Telekom, VoiceStream and Powertel. VoiceStream includes the pro forma impacts of its acquisitions of Omnipoint and Aerial, which were effected in 2000. The consummation of the Deutsche Telekom/Powertel merger is dependent upon consummation of the Deutsche Telekom/VoiceStream merger. Should the Deutsche Telekom/VoiceStream merger be terminated, the Deutsche Telekom/Powertel merger will also be terminated. These financial statements give effect to the Deutsche Telekom/VoiceStream and Deutsche Telekom/Powertel mergers using the purchase method of accounting for business combinations for both.

We derived this information from the audited consolidated financial statements of Deutsche Telekom, VoiceStream, Omnipoint, Aerial and Powertel for the year ended December 31, 1999, the unaudited consolidated financial statements of Deutsche Telekom, VoiceStream and Powertel for the nine months ended September 30, 2000 and the unaudited statements of operations of Omnipoint and Aerial for the periods ended February 24, 2000 and May 3, 2000, respectively. As Omnipoint and Aerial were consolidated with VoiceStream as of September 30, 2000, the pro forma balance sheet is derived from the consolidated balance sheets of Deutsche Telekom, VoiceStream and Powertel. This information is only a summary and you should read it in conjunction with the historical financial statements and related notes of Deutsche Telekom, VoiceStream, Omnipoint, Aerial and Powertel and other information included in this filing or incorporated by reference.

The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2000 and the year ended December 31, 1999 assume the mergers were effected on January 1, 1999. The unaudited pro forma condensed combined balance sheet as of September 30, 2000 gives effect to the mergers as if they had occurred on September 30, 2000. The VoiceStream and Powertel balance sheets and statements of operations have been converted from U.S. GAAP to German GAAP to be presented on a consistent basis with Deutsche Telekom. It is Deutsche Telekom's policy to harmonize accounting principles according to German GAAP and U.S. GAAP through the extensive application of the principles of U.S. GAAP. Deutsche Telekom may depart from this policy. Any such departures are reflected in Deutsche Telekom's U.S. GAAP reconciliation footnote. The differences between U.S. GAAP and German GAAP are summarized in the accompanying Notes 21 and 26, respectively. The accounting policies of Deutsche Telekom, VoiceStream and Powertel are substantially comparable, although certain reclassifications have been made to VoiceStream's and Powertel's historical presentation to conform to Deutsche Telekom's presentation. These reclassifications do not materially impact VoiceStream's or Powertel's results of operations or financial position for the periods presented.

The unaudited pro forma condensed combined financial information is for illustrative purposes only. Deutsche Telekom, VoiceStream, Omnipoint, Aerial and Powertel may have performed differently had they always been combined. You should not rely on the pro forma combined financial information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined companies will experience after the mergers.

DEUTSCHE TELEKOM
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
(VOICESTREAM AND POWERTEL MERGERS)
As of September 30, 2000
(In euros)
(In thousands)

	Deutsche Telekom Note 1	VoiceStream Notes 2, 28	VoiceStream Merger Adjustments Note 4	Deutsche Telekom and VoiceStream	Powertel Notes 3, 29	Powertel Merger Adjustments Note 14	Adjusted Deutsche Telekom, VoiceStream and Powertel
ASSETS							
Non-Current Assets							
Intangible assets	33,770,000	12,136,909	32,505,543 (5)	78,412,452	390,036	5,644,619 (15)	84,447,107
Property, plant and equipment	57,091,000	2,475,025	—	59,566,025	650,510	—	60,216,535
Financial assets	16,917,000	1,352,536	(5,658,000) (6a)	12,611,536	38,993	—	12,650,529
	<u>107,778,000</u>	<u>15,964,470</u>	<u>26,847,543</u>	<u>150,590,013</u>	<u>1,079,539</u>	<u>5,644,619</u>	<u>157,314,171</u>
Current Assets							
Inventories	1,203,000	576,585	—	1,779,585	24,546	—	1,804,131
Receivables	6,274,000	366,921	—	6,640,921	51,908	—	6,692,829
Other assets	4,173,000	59,311	—	4,232,311	3,309	—	4,235,620
Marketable securities	762,000	4,100	—	766,100	—	—	766,100
Liquid assets	4,682,000	4,648,067	—	9,330,067	265,007	—	9,595,074
	<u>17,094,000</u>	<u>5,654,984</u>	<u>—</u>	<u>22,748,984</u>	<u>344,770</u>	<u>—</u>	<u>23,093,754</u>
Prepaid Expenses, Deferred Charges And Deferred Taxation	<u>1,271,000</u>	<u>19,679</u>	<u>—</u>	<u>1,290,679</u>	<u>18,762</u>	<u>—</u>	<u>1,309,441</u>
	<u>126,143,000</u>	<u>21,639,133</u>	<u>26,847,543</u>	<u>174,629,676</u>	<u>1,443,071</u>	<u>5,644,619</u>	<u>181,717,366</u>
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' Equity							
Preferred shares	—	6,111,730	(6,111,730) (6b)	—	172,254	(172,254) (14)	—
Capital shares	7,756,000	258	1,986,189 (8)	9,742,447	355	333,267 (16)	10,076,069
Additional paid-in capital	24,290,000	11,569,921	19,582,617 (11)	55,442,538	588,820	4,687,492 (18)	60,718,850
Deferred stock compensation	—	(44,154)	(196,956) (12)	(241,110)	—	(18,866) (14)	(259,976)
Retained earnings (deficit)	870,000	(11,288)	11,288	870,000	—	—	870,000
Unappropriated net income (loss) carried forward from previous year	44,000	(1,558,490)	1,558,490 (13)	44,000	(619,730)	619,730 (17)	44,000
Net (loss) income	8,445,000	(1,462,212)	1,431,212 (10)	8,414,000	(183,934)	180,539 (20)	8,410,605
Minority interest	2,227,000	347,906	—	2,574,906	—	—	2,574,906
	<u>43,632,000</u>	<u>14,953,671</u>	<u>18,261,110</u>	<u>76,846,781</u>	<u>(42,235)</u>	<u>5,629,908</u>	<u>82,434,454</u>
Accruals							
Pension and similar obligations	3,186,000	—	—	3,186,000	—	—	3,186,000
Other accruals	8,135,000	371,622	98,000 (9)	8,604,622	38,119	14,711 (19)	8,657,452
	<u>11,321,000</u>	<u>371,622</u>	<u>98,000</u>	<u>11,790,622</u>	<u>38,119</u>	<u>14,711</u>	<u>11,843,452</u>
Liabilities							
Debt	62,116,000	5,765,858	8,488,433 (7)	76,370,291	1,393,071	—	77,763,362
Other liabilities	8,369,000	547,982	—	8,916,982	45,167	—	8,962,149
	<u>70,485,000</u>	<u>6,313,840</u>	<u>8,488,433</u>	<u>85,287,273</u>	<u>1,438,238</u>	<u>—</u>	<u>86,725,511</u>
Deferred Income	<u>705,000</u>	<u>—</u>	<u>—</u>	<u>705,000</u>	<u>8,949</u>	<u>—</u>	<u>713,949</u>
	<u>126,143,000</u>	<u>21,639,133</u>	<u>26,847,543</u>	<u>174,629,676</u>	<u>1,443,071</u>	<u>5,644,619</u>	<u>181,717,366</u>
Shareholders' Equity Under German GAAP							
	43,632,000	14,953,671	18,261,110	76,846,781	(42,235)	5,629,908	82,434,454
U.S. GAAP reconciling items (Note 21)	<u>3,794,000</u>	<u>(6,107,920)</u>	<u>13,727,563</u>	<u>11,413,643</u>	<u>(181,022)</u>	<u>616,226</u>	<u>11,848,847</u>
Shareholders' Equity Under U.S. GAAP							
	<u>47,426,000</u>	<u>8,845,751</u>	<u>31,988,673</u>	<u>88,260,424</u>	<u>(223,257)</u>	<u>6,246,134</u>	<u>94,283,301</u>

See Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.